

Message Text

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41

ACTION OPIC-12

INFO OCT-01 AF-10 ISO-00 SSO-00 NSCE-00 USIE-00 DOTE-00

IO-14 AID-20 EB-11 INT-08 COME-00 OMB-01 TRSE-00

CIEP-02 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 PRS-01 SPC-03 SS-20 DRC-01

INRE-00 /138 W

----- 009570

O 291307Z MAR 74

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC IMMEDIATE 9949

C O N F I D E N T I A L LUSAKA 0569

PASS OPIC

E.O.11652 N/A

TAGS: EFIN, EIND, ZA

SUBJECT: TAW

REF: STATE 62078

1. GRZ DECIDED AGAINST REINSTATEMENT TAW CONTRACT AND TAW HAS ANNOUNCED INTENTION GO TO ARBITRATION WITH CLAIM FOR "ACTUAL DAMAGES" IN EXCESS K17 MILLION (26.5 MILLION DOLLARS). GRZ AND TAW EACH ISSUED STATEMENT TO ILESS MARCH 28 (SPETELS).

2. IN BRIEF CONVERSATION LAST NIGHT, TAW REP SAVAGE AND LEGAL COUNSEL DYNNER TOLD US TAW PRESIDENT WOOD HAD MET DURING DAY WITH PRIME MINISTER CHONA. ESSENCE OF WHAT CHONA HAD TO SAY WAS HE DID NOT WISH ARGUE MATTER FURTHER; ZAMBIA SIMPLY NO LONGER NEEDED TAW TRUCKS, AND ALL HE WANTED TO KNOW WAS WHAT CANCELLATION WOULD COST GRZ. SAVAGE AND DYNNER ALSO SAID T VY HAD BEEN INFORMED CHONA CARRIED DAY IN CABINET MEETING AGAINST MINISTERS MILNER AND SOKO BY ASKING IF THEY HAD NO FAITH IN COUNSEL OF GRZ LEGAL
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OFFICIALS AND STAFF.

3. WISH EMPHASIZE, THOUGH TAW STATEMENTS TO PRESS RATHER
TOUGH AND ASSERT GRZ "TRAGIC MISTAKE" MADE BY INEXPERT
OFFICIALS WHO ILL-ADVISED BY THEIR CONSULTANTS, BOTH SIDES HAVE
SO FAR PRESERVED UNEMOTIONAL AND BUSINESSLIKE ATMOSPHERE.
THERE NO SUGGESTION ZAMBIA A VICTIM TAKEN IN AND MISLED BY
EXPLOITATIVE AMERICAN ENTERPRISE. NOR HAS ANY MENTION BEEN
MADE OF USG-AGENCY INVOLVEMENT. NOTABLE THAT GRZ STATEMENT
MAKES NO REFERENCE TO ITS OWN POSSIBLE CLAIM FOR
DAMAGES. WE SHOULD EXPECT ZAMBIA TO WAGE HARD BATTLE IN
ARBITRATION PROCEEDINGS, BUT WOULD APPEAR AT THIS POINT
GRZ WANTS TO CARRY MATTER TO CONCLUSION WITH AS MUCH DIGNITY
AND LEAST DISTURBANCE TO GENERAL US-ZAMBIAN ECONOMIC AND
POLITICAL RELATIONSHIP AS POSSIBLE.
NELSON

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NNN

Message Attributes

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Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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